

Making Life Work: Helping Parents

“Whether it’s college or the cost of daycare, making life work for more families means reducing the economic insecurity plaguing so many working moms and dads.”

Background:

On February 5, 2013 Majority Leader Eric Cantor delivered a speech at the American Enterprise Institute (AEI) entitled “Making Life Work.” Below are some the facts, figures, and background information referenced in the speech.

Household Income:

An August 2012 Pew Research Center study reported that median household income had risen only 22% from 1979 to 2007. Even worse median income right before the great recession was just about what it was in 2000. Median income in 2010 is about the same as it was in 1997.¹

Growth in the cost of health insurance is partially responsible for depressing wages. In 1999 the median employer cost for health insurance was 8.2% of their total payroll costs, but by 2010, the median employer cost had grown to 12.8%; meaning more of the total payroll costs were being consumed by health insurance.²

Job Training Programs:

For fiscal year 2009 the Government Accountability Office (GAO) identified 47 employment and training programs ministered across nine agencies. According to GAO, “Little is known about the effectiveness of the employment and training programs we identified because only 5 reported demonstrating whether outcomes can be attributed to the program through an impact study, and about half of all the programs have not had a performance review since 2004. ...the five impact studies generally found that the effects of participation were not consistent across programs, with only some demonstrating positive impacts that tended to be small, inconclusive, or restricted to short-term impacts.”³

Workplace Flexibility:

¹ "Fewer, Poorer, Gloomier; The Lost Decade of the Middle Class." *Pew Research Center, Social & Demographic Trends*. Pew Social & Demographic Trends, 22 Aug 2012. Web. <<http://www.pewsocialtrends.org/files/2012/08/pew-social-trends-lost-decade-of-the-middle-class.pdf>>.

² "Snapshots: Health Care Costs; Employer Health Insurance Costs and Worker Compensation." *Kaiser Family Foundation*. Kaiser Family Foundation, n.d. Web. <<http://www.kff.org/insurance/snapshot/Employer-Health-Insurance-Costs-and-Worker-Compensation.cfm>>.

³ United States. Government Accountability Office. *Multiple Employment and Training Programs, Providing Information on Colocating Services and Consolidating Administrative Structures Could Promote Efficiencies*. GAO. Web. <<http://www.gao.gov/new.items/d1192.pdf>>.

In 1938, Congress enacted the Fair Labor Standards Act (FLSA), which requires that workers receive not less than a minimum wage and establishes a standard 40-hour workweek for most workers. The law provides that covered employees must receive overtime pay for each hour they work in excess of 40 hours in one week. Overtime pay is paid at the rate of one and one-half times the employee's regular rate of pay.

In 1985 Congress permitted state and local governments to compensate their employees' overtime hours with paid time away from work (compensatory time or "comp time") in lieu of overtime pay. To date this option has not been extended to employees in the private sector.

Making Life Work Proposals:

In the AEI speech, Majority Leader Cantor discussed the following policy proposals:

Job Training: Last year the Education and Workforce Committee unveiled the Workforce Investment Improvement Act of 2012 which:

- eliminates dozens of ineffective and redundant employment programs and creates one flexible Workforce Investment Fund;
- eliminates arbitrary roadblocks that prevent workers from accessing job training immediately, and helps ensure support is tailored to the specific needs of individual workers;
- strengthens the role of job creators in workforce development decisions by requiring two-thirds of workforce board members (who set policy and oversight for state and local programs) be employers.

Workplace Flexibility: The Fair Labor Standard Act should be amended to permit an employer to offer, and an employee to receive if they so choose, comp-time in lieu of overtime pay at a rate not less than one and one-half hours for each hour of overtime.